

FILED
JUN - 9 2022
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF OHIO
CLEVELAND

) INDICTMENT

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CASE NO.

1:22 CR 307

Title 18, United States Code,
Sections 1028A, 1343, and 1349

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JUDGE BARKER

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1. Defendant ZAUR KALANTARLI (“ZAUR”) was a resident of the Northern District of Ohio, Eastern Division, specifically Euclid, Ohio.
2. ZAUR was married to N.K.
3. Defendant ALI KALANTARLI (“ALI”) was a resident of Los Angeles, California.
4. ALI was married to K.R.
5. Defendant AYDIN KALANTAROV (“AYDIN”) was a resident of Los Angeles, California.
6. AYDIN was married to G.K.

The Small Business Administration and the CARES Act

7. The United States Small Business Administration (“SBA”) was an executive branch agency of the United States government. The mission of the SBA was to maintain and strengthen the nation’s economy by enabling the establishment and viability of small businesses and assist in the economic recovery of communities after disasters. As part of this effort, the SBA enabled and provided for loans through banks and other lenders. These loans had government backed guarantees.

8. The Coronavirus Aid, Relief, and Economic Security (“CARES”) Act was a federal law enacted in or around March 2020 and was designed to provide emergency financial assistance to Americans suffering the economic effects caused by the COVID-19 pandemic. One source of relief under the CARES Act was authorization for the SBA to issue loans to small businesses and non-profit entities experiencing revenue loss due to the pandemic.

The Economic Injury Disaster Loan Program

9. One form of assistance as part of the CARES Act was the Economic Injury Disaster Loan (“EIDL loan”) program, which provided loan assistance for certain businesses negatively affected by the COVID-19 pandemic. To qualify for an EIDL loan, a business had to, among other requirements, be in operation prior to February 1, 2020.

10. Applicants for EIDL loans used the SBA online portal to submit their application materials. The SBA servers that processed the EIDL loan applications were based in the state of Iowa.

11. Applicants had to certify that the information in the application was true and correct, under the penalty of perjury and applicable criminal statutes. The application process involved filling out data fields relating to the size and ownership of the affected business entity,

and other information about the relevant business for the 12 months prior to COVID-19 impacting the national economy, such as the number of employees in the business, the gross business revenues realized, and the cost of goods sold. This information, submitted by the applicant, was then used by SBA systems to calculate the amount of money the applicant was eligible to receive.

12. Applicants were generally eligible to receive an EIDL loan of up to \$150,000, with a 30-year scheduled repayment, deferred for 12 months.

13. Any funds paid by the SBA under an EIDL loan were processed and issued from the state of Colorado and sent to the applicant borrower's financial institution.

14. Pursuant to the provisions governing the EIDL program, loan proceeds could only be used by the affected business receiving EIDL loans for certain permissible expenses. The loans could be used by the business to pay fixed debts, payroll, accounts payable, and other bills that could have been paid had the COVID-19 disaster not occurred.

COUNT 1

(Conspiracy to Commit Wire Fraud, 18 U.S.C. § 1349)

The Grand Jury charges:

15. Paragraphs 1 through 14 of this Indictment are re-alleged and incorporated by reference as if fully set forth herein.

The Conspiracy

16. From on or about May 17, 2020 to on or about October 9, 2020, in the Northern District of Ohio, Eastern Division, and elsewhere, Defendants ZAUR KALANTARLI, ALI KALANTARLI, and AYDIN KALANTAROV and others known and unknown to the Grand Jury, did knowingly and intentionally combine, conspire, confederate and agree to devise a scheme and artifice to defraud and to obtain money and property from the United States Small

Business Administration by means of false and fraudulent pretenses, representations and promises; and for the purpose of executing the scheme and artifice, transmitted and caused to be transmitted by means of wire communications in interstate commerce writings, signs, signals, pictures and sounds, in violation of Title 18, United States Code, Section 1343.

Objects of the Conspiracy

17. The objects of the conspiracy were to unjustly enrich the co-conspirators by obtaining EIDL loan proceeds under false pretenses and to prevent detection of the conspiracy.

Manner and Means of the Conspiracy

18. It was part of the conspiracy that:
- a. ZAUR, ALI, and AYDIN incorporated fictitious businesses in the State of Ohio.
 - b. ZAUR, ALI, and AYDIN obtained Employer Identification Numbers (“EIN”) from the United States Treasury Department for the fictitious Ohio corporations.
 - c. ZAUR, ALI, and AYDIN submitted, and caused to be submitted, EIDL loan applications to the SBA for the fictitious corporations.
 - d. Based on the false information submitted by ZAUR, ALI, and AYDIN, the SBA approved EIDL loans for the fictitious corporations. The loan proceeds were transmitted from the SBA to bank accounts controlled by ZAUR, ALI, and AYDIN.
 - e. ZAUR, ALI, and AYDIN used the EIDL loan proceeds for the benefit of themselves, and others, and in a manner inconsistent with the purposes of the EIDL loan program.

Acts in Furtherance

19. In furtherance of the conspiracy and to achieve its objectives, one or more members of the conspiracy committed the following acts, among others, in the Northern District of Ohio, Eastern Division, and elsewhere:

Creating the Fictitious Ohio Corporations

a. From on or about May 17, 2020 to on or about July 6, 2020, ZAUR, ALI, and AYDIN, incorporated at least 70 fictitious businesses with the State of Ohio.

b. ZAUR, ALI, and AYDIN named the fictitious businesses primarily with agriculture sounding names, such as “Ohio Almonds & Peanuts LLC” and “Ohio Organic Carrots LLC.”

Obtaining EINs for the Fictitious Corporations

c. From on or about May 18, 2020 to on or about July 16, 2020, ZAUR, ALI, and AYDIN obtained EINs for the fictitious businesses from the United States Treasury Department.

Submitting the Fraudulent EIDL Loan Applications for the Fictitious Corporations

d. ZAUR submitted, and caused to be submitted, nineteen EIDL loan applications for fictitious Ohio corporations which were funded by the SBA. ZAUR submitted eleven in his name and eight in N.K.’s name, without her knowledge or consent.

e. ALI submitted, and caused to be submitted, fourteen EIDL loan applications for fictitious Ohio corporations which were funded by the SBA. ALI submitted nine in his name and five in K.R.’s name, without her knowledge or consent

f. AYDIN submitted, and caused to be submitted, fourteen EIDL loan applications for fictitious Ohio corporations which were funded by the SBA. AYDIN submitted eight in his name and six in G.K.'s name, without her knowledge or consent.

Transmittal of EIDL Funds to Bank Accounts Controlled by Defendants

g. ZAUR caused the SBA to distribute the proceeds of eleven EIDL loans from Colorado to a financial institution in Ohio, for fictitious Ohio corporations, as set forth below:

Act in Furtherance	Approximate Date of Distribution	Name of Fictitious Corporation	Loan Amount
(i)	6/18/2020	Agricultural Worms & Fertilizers	\$150,000
(ii)	6/18/2020	Ohio Almonds & Peanuts	\$150,000
(iii)	6/18/2020	Organic Ohio Berries	\$150,000
(iv)	6/18/2020	Ohio Red Wiggler Worms	\$150,000
(v)	6/19/2020	Organic Onions Ohio	\$150,000
(vi)	6/22/2020	Best Corns of Ohio	\$150,000
(vii)	6/29/2020	Organic Ohio Celery	\$150,000
(viii)	6/23/2020	Wheat White Ohio	\$150,000
(ix)	6/27/2020	Organic Ohio Dills	\$150,000
(x)	7/7/2020	Composting Worms	\$150,000
(xi)	7/13/2020	Red Worms	\$150,000

h. ZAUR caused the SBA to distribute the proceeds of eight EIDL loans from Colorado to a financial institution in Ohio, to N.K, without her knowledge or consent, for fictitious Ohio corporations, as set forth below:

Act in Furtherance	Approximate Date of Distribution	Name of Fictitious Corporation	Loan Amount
(i)	6/18/2020	Organic Fruits By Nigar	\$150,000
(ii)	6/22/2020	Ohio Organic Vegetables & Co	\$150,000
(iii)	6/18/2020	Nigar Kalantarli (Ng Raisins)	\$90,100
(iv)	6/30/2020	Ohio Fruttos	\$150,000
(v)	6/23/2020	Organic Ohio Broccoli	\$150,000
(vi)	6/29/2020	Fresh Ohio Berries	\$150,000

(vii)	7/24/2020	Garlic Farming	\$150,000
(viii)	7/13/2020	Mint & Bay Farm	\$150,000

i. ALI caused the SBA to distribute the proceeds of nine EIDL loans, from Colorado to a financial institution in California, for fictitious Ohio corporations, as set forth below:

Act in Furtherance	Approximate Date of Distribution	Name of Fictitious Corporation	Loan Amount
(i)	6/18/2020	Organic Ohio Potatoes	\$150,000
(ii)	6/19/2020	Organic Ohio Garlic	\$150,000
(iii)	6/23/2020	Garlic Ohio Oil	\$150,000
(iv)	6/18/2020	Ohio Organic Almonds	\$150,000
(v)	6/26/2020	Best Ohio Tahini	\$150,000
(vi)	6/26/2020	Organic Ohio Pomegranate	\$150,000
(vii)	6/23/2020	Organic Cherries Ohio	\$150,000
(viii)	6/29/2020	Mr. Micro Potato	\$150,000
(ix)	7/7/2020	Popeye Organic Spinach	\$150,000

j. ALI caused the SBA to distribute the proceeds of five EIDL loans from Colorado to a financial institution in California, to K.R., without her knowledge or consent, for fictitious Ohio corporations, as set forth below:

Act in Furtherance	Approximate Date of Distribution	Name of Fictitious Corporation	Loan Amount
(i)	7/9/2020	Wild Cherries and Assorted Fruits	\$150,000
(ii)	6/26/2020	Organic Cucumber Ohio	\$150,000
(iii)	6/26/2020	Ohio Cilantro Farming	\$150,000
(iv)	6/26/2020	Tutti Raisin Farm	\$150,000
(v)	7/7/2020	Honey Pears	\$150,000

k. AYDIN caused the SBA to distribute the proceeds of eight EIDL loans from Colorado to a financial institution in California, for fictitious Ohio corporations, as set forth below:

Act in Furtherance	Approximate Date of Distribution	Name of Fictitious Corporation ("LLC")	Loan Amount
(i)	7/13/2020	Ohio Natural Beets	\$150,000
(ii)	6/18/2020	Agricool Vegetables & Fruits	\$150,000
(iii)	6/18/2020	Ohio Organic Nuts	\$150,000
(iv)	6/23/2020	Best Eggplants Ohio	\$150,000
(v)	7/13/2020	Ohio Natural Cabbage	\$150,000
(vi)	8/7/2020	Ohio Natural Carrots	\$150,000
(vii)	6/23/2020	Organic Ohio Beans	\$150,000
(viii)	6/26/2020	Ohio Rasi Seeds	\$150,000

l. AYDIN caused the SBA to distribute the proceeds of six EIDL loans from Colorado to a financial institution in California, to G.K, without her knowledge or consent, for fictitious Ohio corporations, as set forth below:

Act in Furtherance	Approximate Date of Distribution	Name of Fictitious Corporation ("LLC")	Loan Amount
(i)	7/23/2020	Ohio Organic Carrots	\$150,000
(ii)	7/14/2020	Ohio Organic Cabbage	\$150,000
(iii)	8/10/2020	Ohio Organic Cauliflower	\$150,000
(iv)	7/7/2020	Ohio Organic Beets	\$150,000
(v)	7/6/2020	Ohio Pinnacle Agriculture	\$150,000
(vi)	6/24/2020	Ohio Hungry Farms	\$150,000

Misuse of EIDL Funds for Personal Benefit

m. ZAUR used proceeds from the EIDL loans described in Paragraphs 19(g) – (h) to purchase the following residential properties for his personal benefit and the benefit of others:

Act in Furtherance	Approximate Date	Transaction	Amount
(i)	9/23/2020	Wire transfer related to purchase of a residence on Zeman Avenue, Euclid, Ohio	\$68,848.29
(ii)	10/09/2020	Wire transfer related to purchase of a residence on Elinore Avenue, Euclid, Ohio	\$66,949.31

n. ALI used proceeds from the EIDL loans described in Paragraphs 19(i) – (j) to purchase the following residential properties and vehicle for his personal benefit and the benefit of others:

Act in Furtherance	Approximate Date	Transaction	Amount
(i)	08/11/2020	Wire transfer related to purchase of a residence on Cedar Road, South Euclid, Ohio	36,386.63
(ii)	08/13/2020	Wire transfer related to purchase of a residence on Cedar Road, South Euclid, Ohio	44,299.52
(iii)	08/15/2020	Wire transfer related to purchase of a Jeep Wrangler	63,871.88

o. AYDIN used proceeds from the EIDL loans described in Paragraphs 19(k) – (l) to purchase the following residential property for his personal benefit and the benefit of others:

Act in Furtherance	Approximate Date	Transaction	Amount
(i)	08/12/2020	First wire transfer related to purchase of a residence on Montage, Irvine, California	310,158.57
(ii)	08/12/2020	Second wire transfer related to purchase of a residence on Montage, Irvine, California	300,000.00

20. As a result of the conspiracy described above, ZAUR, ALI, and AYDIN, submitted approximately 47 fraudulent EIDL loan applications, and the SBA approved and distributed approximately \$6,990,100 in loan funds.

All in violation of Title 18, United States Code, Section 1349.

COUNTS 2 – 7
(Wire Fraud, 18 U.S.C. § 1343)

The Grand Jury further charges:

21. Paragraphs 1 through 14 and 16 through 20 of this Indictment are re-alleged and incorporated by reference as if fully set forth herein.

The Fraudulent Scheme

22. From on or about June 17, 2022, through on or about June 20, 2020, in the Northern District of Ohio, Eastern Division, and elsewhere, Defendants ZAUR KALANTARLI, ALI KALANTARLI, and AYDIN KALANTAROV knowingly devised, and intended to devise, a scheme and artifice to defraud the United States Small Business Administration, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, by submitting and causing to be submitted false and fraudulent applications for EIDL funds.

Manner and Means of the Scheme to Defraud

23. To accomplish these objectives, ZAUR, ALI, and AYDIN employed the manner and means described in Paragraphs 19(a) – (o) of this Indictment, which are re-alleged and incorporated by reference as if fully set forth herein

Execution of the Scheme

24. On or about each of the dates set forth below, in the Northern District of Ohio, Eastern Division, and elsewhere, Defendants ZAUR KALANTARLI, ALI KALANTARLI, and AYDIN KALANTAROV, for the purpose of executing the scheme and artifice to defraud described above, and attempting to do so, transmitted, and caused to be transmitted, writings, signs, signals, pictures and sounds by means of wire communications in interstate commerce, as described below, each transmission constituting a separate count of this Indictment:

Count	Defendant	Approximate Date	Description of Transmission	Originating Location	Recipient and Location
2	ZAUR	6/17/2020	Electronic submission of EIDL loan application for Organic Onions Ohio	Ohio	SBA, Iowa
3	ZAUR in N.K.'s name	6/17/2020	Electronic submission of EIDL loan application for Ohio Fruttos	Ohio	SBA, Iowa
4	ALI	6/18/2020	Electronic submission of EIDL loan application for Organic Ohio Garlic	California	SBA, Iowa
5	ALI in K.R.'s name	6/19/2020	Electronic submission of EIDL loan application for Organic Cucumber Ohio	California	SBA, Iowa
6	AYDIN	6/20/2020	Electronic submission of EIDL loan application for Ohio Rasi Seeds	California	SBA, Iowa
7	AYDIN in G.N.'s name	6/20/2020	Electronic submission of EIDL loan application for Ohio Hungry Farms	California	SBA, Iowa

All in violation of Title 18, United States Code, Section 1343.

COUNT 8

(Aggravated Identity Theft, 18 U.S.C. § 1028A(a)(1))

The Grand Jury further charges:

25. Paragraphs 1 through 14, 19(a) through 19(f) and 19(h) of this Indictment are re-alleged and incorporated by reference as if fully set forth herein.

26. On or about June 17, 2020, in the Northern District of Ohio, Eastern Division, and elsewhere, Defendant ZAUR KALANTARLI during and in relation to a felony violation enumerated in Title 18, United States Code, Section 1028A(c), to wit: Conspiracy to Commit Wire Fraud, in violation of Title 18, United States Code, Section 1349, knowingly transferred,

possessed and used, without lawful authority, the means of identification of one or more other individuals, knowing that said means of identification belonged to another person, in violation of Title 18, United States Code, Section 1028A(a)(1).

COUNT 9
(Aggravated Identity Theft, 18 U.S.C. § 1028A(a)(1))

The Grand Jury further charges:

27. Paragraphs 1 through 14, 19(a) through 19(f) and 19(j) of this Indictment are re-alleged and incorporated by reference as if fully set forth herein.

28. On or about June 19, 2020, in the Northern District of Ohio, Eastern Division, and elsewhere, Defendant ALI KALANTARLI during and in relation to a felony violation enumerated in Title 18, United States Code, Section 1028A(c), to wit: Conspiracy to Commit Wire Fraud, in violation of Title 18, United States Code, Section 1349, knowingly transferred, possessed and used, without lawful authority, the means of identification of one or more other individuals, knowing that said means of identification belonged to another person, in violation of Title 18, United States Code, Section 1028A(a)(1).

COUNT 10
(Aggravated Identity Theft, 18 U.S.C. § 1028A(a)(1))

The Grand Jury further charges:

29. Paragraphs 1 through 14, 19(a) through 19(f) and 19(l) of this Indictment are re-alleged and incorporated by reference as if fully set forth herein.

30. On or about June 20, 2020, in the Northern District of Ohio, Eastern Division, and elsewhere, Defendant AYDIN KALANTAROV during and in relation to a felony violation enumerated in Title 18, United States Code, Section 1028A(c), to wit: Conspiracy to Commit Wire Fraud, in violation of Title 18, United States Code, Section 1349, knowingly transferred,

possessed and used, without lawful authority, the means of identification of one or more other individuals, knowing that said means of identification belonged to another person, in violation of Title 18, United States Code, Section 1028A(a)(1).

FORFEITURE

The Grand Jury further charges:

31. The allegations of Counts 1 and 2 are hereby re-alleged and incorporated herein by reference for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C), Title 18, United States Code, Section 982(a)(2)(A), and Title 28, United States Code, Section 2461(c). As a result of the foregoing offenses, defendants ZAUR KALANTARLI, ALI KALANTARLI, and AYDIN KALANTAROV shall forfeit to the United States: all property, real and personal, which constitutes, or is derived from, proceeds traceable to the commission of such offenses; and, all property constituting, or derived from, proceeds the defendants obtained, directly or indirectly, as the result of such offenses; including, but not limited to, the following:

a.) \$1,153,475.91 received by the United States Marshals Service from the interlocutory sale of the real property located at 2 Montage, Irvine, Orange County, California; parcel number: 447-425-15. Prior to the interlocutory sale, the real property was titled to "AYDIN KALANTAROV, a married man, as his sole and separate property".

b.) \$16,200.00 U.S. Currency seized from the backpack of AYDIN KALANTAROV on or about January 28, 2021, pursuant to a consent search at the Los Angeles International Airport.

c.) \$2,944,628.01 seized pursuant to the execution of a federal seizure warrant issued on February 24, 2021, from certain bank accounts restricted and maintained by JPMorgan Chase

Bank, N.A. The accounts were restricted by JPMorgan Chase Bank, N.A., on suspicion of potential fraud related to the SBA's Economic Injury Disaster Loan (EIDL) program.

Particularly, the restricted accounts were numbered as follows: xxxxx1605, xxxxx3307, xxxxx8435, xxxxxx0156, xxxxxx0682, xxxxx8936, xxxxxx0278, xxxxx3898, xxxxxx1266, xxxxx9019, xxxxx4280, xxxxx1378, xxxxx5142, xxxxx9419, and xxxxx0918.

d.) \$226,397.91 seized pursuant to the execution of a federal seizure warrant issued on March 30, 2021, from certain bank accounts restricted and maintained by JPMorgan Chase Bank, N.A. The accounts were restricted by JPMorgan Chase Bank, N.A., on suspicion of potential fraud related to the SBA's Economic Injury Disaster Loan (EIDL) program.

Particularly, the restricted accounts were numbered as follows: xxxxxx5223 and xxxxx9787.

e.) \$83,618.74 received by the United States Marshals Service from the interlocutory sale of the real property located at 21701 Bruce Avenue, Euclid, Ohio (parcel number: 642-14-116).

f.) \$158,604.78 received by the United States Marshals Service from the interlocutory sale of the real property located at 1681 Gilbert Drive, Mayfield Heights, Ohio (parcel number: 861-22-113).

g.) \$87,548.51 received by the United States Marshals Service from the interlocutory sale of the real property located at 790 E. 236th Street, Euclid, Ohio (parcel number: 643-17-022).

h.) \$61,669.78 received by the United States Marshals Service from the interlocutory sale of the real property located at 26230 Elinore Avenue, Euclid, Ohio (parcel number: 645-32-024).

i.) \$99,590.37 received by the United States Marshals Service from the interlocutory sale of the real property located at 1821 Grand Blvd., Euclid, Ohio (parcel number: 649-06-074).

j.) \$41,579.43 received by the United States Marshals Service from the interlocutory sale of the real property located at 3411 W. 46th Street, Cleveland, Ohio (parcel number: 016-23-123).

k.) \$66,717.82 received by the United States Marshals Service from the interlocutory sale of the real property located at 25200 Zeman Avenue, Euclid, Ohio (parcel number: 644-15-069).

l.) \$92,531.32 received by the United States Marshals Service from the interlocutory sale of the real property located at 1451 E. 221st Street, Euclid, Ohio (parcel number: 646-34-041).

m.) 3772 Lowell Road, Cleveland Heights, Ohio (parcel number: 682-13-011).

n.) 19350 Locherie Avenue, Euclid, Ohio (parcel number: 641-11-046).

o.) \$86,013.76 received by the United States Marshals Service from the interlocutory sale of the real property located at 1766 Grand Blvd., Euclid, Ohio (parcel number: 649-06-040).

p.) \$16,906.46 received by the United States Marshals Service from the interlocutory sale of the real property located at 13781 Cedar Road, Condo Unit: 104C, South Euclid, Ohio (parcel number: 704-22-538).

q.) \$49,429.76 received by the United States Marshals Service from the interlocutory sale of the real property located at 19470 Ormiston Avenue, Euclid, Ohio (parcel number: 641-14-126).

r.) \$53,142.52 received by the United States Marshals Service from the interlocutory sale of the real property located at 13793 Cedar Road, #201F, South Euclid, Ohio (parcel number: 704-22-491).

s.) \$50,564.09 received by the United States Marshals Service from the interlocutory sale of the real property located at 13765 Cedar Road, #302D, South Euclid, Ohio (parcel number: 702-22-624).

t.) \$50,488.34 received by the United States Marshals Service from the interlocutory sale of the real property located at 13833 Cedar Road, #306A, South Euclid, Ohio (parcel number: 704-22-350).

u.) \$53,914.08 received by the United States Marshals Service from the interlocutory sale of the real property located at 1581 Lee Terrace Drive, #F-3, Wickliffe, Ohio (parcel number: 29B003N000530).

v.) \$36,076.14 received by the United States Marshals Service from the interlocutory sale of the real property located at 31505 N. Marginal Drive - Condo 35C, with Garage Unit 9, Willowick, Ohio (parcel number: 28A040H010350).

A TRUE BILL.

Original document - Signatures on file with the Clerk of Courts, pursuant to the E-Government Act of 2002.